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Agricultural Situation

HOW ABOUT CASTORBEANS?

Some farmers who are looking for a new cash crop to replace crops now in surplus, such as feed grains, may try castorbeans this year. Prospects are that 1958 acreage in this strategic oil crop may be larger than in recent years.

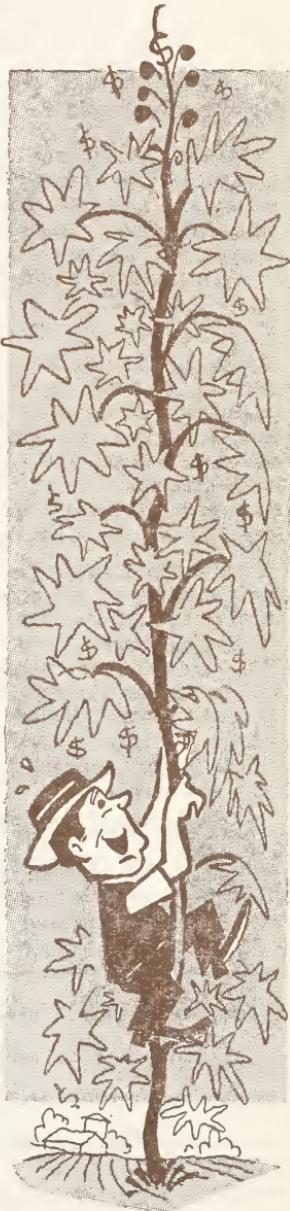
Experience has shown that castorbeans can be grown successfully on a commercial basis and can compete effectively for land with other crops, when yields and price relationships are favorable.

Domestic bean prices have been relatively high, and worldwide demand for castor oil is rising to fill industrial and defense needs.

Demand in the United States has been generally strong in recent years, and imports of castorbeans and castor oil are large. A larger United States crop, therefore, would make this country less dependent upon imports of crops particularly important in times of international tension.

In the first place, castor oil and its derivatives are used as a raw material in the manufacture of many materials needed for military and defense production, as well as for other products in everyday use.

It is the starting material in the manufacture of sebacic acid, used in making synthetic lubricants for jet aircraft, plastics, and nylon bristle. It is also used in the manufacture of all-purpose greases, hydraulic fluids, artificial leather, pharmaceuticals, soap, printing ink, special low-temperature lubricants, and flexible coatings, as well as plasticizers which are used in the manufacture of explosives and fabrics.



Largest single consumer is the protective-coating industry. Dehydrated castor oil is used as a quick-drying base for paints, lacquers, and varnishes.

An estimated 135 million pounds of castor oil were utilized in manufacturing processes in 1957, while only about 9.5 million pounds were produced from domestic beans. This meant that U. S. industry met its needs chiefly from imports.

U. S. Requirements

This country, in fact, takes about 50 percent of the total world trade in castorbeans and oil. This year, prospects are that domestic castorbean acreage will be larger than in 1957, but even the larger output will represent only a relatively small portion of the U. S. industry's requirements.

In 1957, domestic growers harvested about 15,500 acres, according to trade estimates. These produced about 21 million pounds of beans, compared with 4 million in 1956. Practically all the beans were grown under irrigation, with California accounting for over half of the U. S. output.

The sharp increase reflects mainly the availability of acceptable harvesters and favorable prices. The average per acre yield in 1957 was 1,360 pounds, compared with 780 pounds a year earlier. Yields in individual States varied from 1,825 pounds per acre in California, to 300 pounds in the dryland areas of Oklahoma and Arkansas.

Previous highs both for domestic production and for prices were reached in the Korean conflict, when the Government was stockpiling castor oil and guaranteeing farmers a

minimum price. This brought bean output to 51 million pounds in 1953.

Prospects for increased domestic plantings in 1958 are quite bright. Development of improved varieties of castor seed and harvesters are additional strong factors. However, limited harvesting and hulling facilities may tend to restrain the increase. Also, castorbeans are poisonous and must not be fed to animals or consumed by humans.

Castorbeans are usually marketed through an agent of the commercial oil processor or by the huller operator for resale to the oil processor. Custom hulling service is available to farmers in major areas of production.

In the past, some companies have entered into contracts with castor-bean producers, guaranteeing them a specific price. At present, oil processing plants are located on both east and west coasts, and castorbean prices to growers are usually the "delivered price."

Price Ranges

Castorbean prices (f. o. b. Brazilian ports) rose abruptly from \$123 per long ton in January 1956 to a peak of \$185 in February 1957. Prices then averaged about \$178 a ton during March-August 1957. In December they were \$111. This decline probably reflects the increased availability of the large Brazilian 1957 harvest.

Castorbeans store well. Some varieties can be held as long as 5 years without significant loss of oil content. This could go a long way toward giving the market some stability in supply and in moderating the sharp price fluctuations.

George W. Kromer
Agricultural Economics Division, AMS

The Agricultural Situation is sent free to crop, livestock, and price reporters in connection with their reporting work.

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VEGETABLE GROWERS

OPEN NEW AREAS

Large scale vegetable operations have been introduced in recent years to many areas—sections in the West, most of them, which, when irrigated, enjoy advantages for vegetable production more humid areas lack.

Control of soil moisture by irrigation insures maximum production, permits the more efficient use of fertilizer, and improves quality. Moreover, low humidity also reduces the incidence of certain plant diseases.

Texas Leads Again

The most outstanding example is in the High Plains of west Texas. Here climate favors production both summer and fall. In the triangle formed by Hereford, Lockney, and Muleshoe, and in several scattered sections, onions, lettuce, carrots, and tomatoes are now widely grown using ground water for irrigation. In 1957, there were over 15,000 acres of vegetables in western Texas.

In southwestern Kansas, a new late-onion area has developed since 1955, and cantaloup production expanded in 1957. Wichita and Grant counties are the leaders. Around Kearney, Nebr., experiments with tomatoes indicate the crop may have commercial possibilities there.

Summer lettuce production is expanding in the San Luis Valley of Colorado. The area has ample resources for further development, as well as the advantage of being closer to eastern markets than is California. Further expansion may be imminent.

Several areas in New Mexico are increasing vegetable production, offsetting a reduction in Valencia County where industrial users have purchased water rights. There has been considerable expansion in Dona Ana County where lettuce and onions are the leading crops. Lea County growers have added tomatoes, carrots, and onions to

the crops they grow. Interest in vegetables is increasing in Bernalillo and Luna Counties.

Arizona growers, searching for virgin soil with ample water supplies, are breaking out desert land for vegetable production in several areas. Aguila and Willcox-Bowie assumed importance in 1957, and further expansion is in prospect this year. The Harquahala Valley and the Theba section are also expected to be important sources of vegetables and melons in 1958.

While some growers will move from older producing sections in the State, the net result should be an increase in the output of Arizona vegetables and melons. In these new areas, the climate permits a longer harvest season in both spring and fall. This will increase competition with California crops, particularly with lettuce.

Dry onion production has been introduced recently to North Carolina. Growers in Robeson County produced 120,000 bags in 1957 and plan a much larger output in 1958. Growers throughout the South are showing an increasing interest in vegetable production to offset reduced income from long-established cash crops.

Why the Newer Areas?

The introduction of vegetables and melons into new areas has resulted from the search for new and more profitable cash crops and the search for new land by established growers.

While additional vegetable and melon production is needed in order to keep pace with future population growth, some of these areas can only expand at the expense of older producing sections. Some new sections will survive, others fade from the scene. This has been the history of the Nation's vegetable industry.

Joe E. Mullin
Agricultural Estimates Division, AMS

Outlook

Dairy

Milk output is rising seasonally and prices for dairy products through March 31 are not likely to go above support levels. In 1957, most manufactured items sold at the equivalent of support. Butter prices late in the year were above support.

Lower 1958-59 supports are effective April 1. If the parity index remains the same as when the new supports were announced, the reduction would be equivalent to 23 cents per cwt. for manufacturing milk and about 3 cents per pound for butterfat.

In some fluid markets, prices paid by dealers probably will reflect the full cut in support. Other markets will show less change, while Class I prices in some markets will be unaffected. Consequently, the U. S. average price to farmers in the new season for all milk sold may decline between 15 and 18 cents per cwt. from the 1957 level. This would bring the total to the \$4.00 per cwt. level, national annual basis, that prevailed in 1954 and 1955.

Milk prices probably will stay above average in relation to feed prices, with the ratio likely to be high enough to encourage another small increase in milk output.

Soybeans

The record large supply of soybeans is holding farmers' prices at about the support level, despite strong demand for crushing and export. In recent years, farmers have been holding some stocks rather than marketing at harvest. In this way, they can take advantage of any possible rise in bean prices. But, as one result, the difference between the October seasonal low and the seasonal high is less than formerly.

The 1957 soybean crop was record high and was late. Farmers stored a record quantity. This probably will limit any seasonal upswing.

Many producers who stored beans in anticipation of a price rise protected themselves against a price decline by obtaining storage loans or purchase agreements under the support program.

The 200 million bushels in farm stocks January 1 were about 40 percent of the season's total supply. A substantial part was under CCC loan.

Citrus

Severe freeze damage to Florida citrus fruit and trees during December and early January cut heavily into the 1957-58 crop.

The January 1 estimate of the early and midseason orange crops was 10 million boxes, 17 percent, below the December 1 estimate. The estimate for Valencias declined 28 percent, 12 million boxes; for tangerines, 33 percent, 1.5 million boxes. Compared with crops a year earlier, Florida output of oranges and tangerines is expected to be down 15 percent.

With a smaller orange crop for 1957-58 in California, also, the total U. S. output of oranges and tangerines is likely to be 18 percent smaller than last season. The U. S. grapefruit crop is expected to decline about 9 percent.

Reduced citrus output probably means that prices for oranges and grapefruit for fresh use will continue higher than they were early in the season and above a year ago.

Livestock

Last year's huge feed crops are stimulating livestock production. Feeding of hogs and cattle is heavy this winter and farrowings of 1958 spring pigs will increase. Total gain over 1957, however, in this year's livestock slaughter and meat output will be small because of the downturn in cattle numbers. Hog prices are likely to ease lower than a year ago until a seasonal advance begins in late spring.

HAVE YOU BOUGHT YOUR SEEDS?

Now is the time to plan your legume and grass seed purchases for 1958.

Many of you have already examined the seed catalogs and have discussed among yourselves and with your county committees the Acreage Reserve and Conservation Reserve Programs offered by the Soil Bank.

Whether you have made your decision or not, most of you will be in the market for some kind of field seeds this spring. Naturally, you will want to plant good quality seed, and you will want to buy it at a fair price. The way to get it is from a reputable dealer.

Opportunities Numerous

Perhaps you are in the habit of calling for certain "recognized varieties" which have proved themselves on your farm through the years. If so, do not overlook any newer ones your dealer may recommend this year.

If you are in doubt, consult your County Agricultural Extension Agent. Then, in order to make sure you are getting the variety that will be true to type, look for the label. If it is certified seed, you will also find the certification tag and seal.

Certification is the farmer's insurance for high quality seed. Place your order as early as you can to give your dealer time to obtain the kind of seed or the variety you want.

This spring, farmers will have the same wide choice of seeds as last year. However, the price of most kinds of seeds will be lower. In fact, because of large supplies, some may be at bargain price compared with prices paid in recent years.

Supplies of grass seed are more liberal this year. This, together with sizable seed crops of legumes, plus some imports mostly from Canada, will provide ample quantities for normal domestic plantings of almost all kinds.

Current total supplies (made up of 1957 production plus carryover on June 30, 1957, plus imports July 1–December 31, 1957) are more than double the 1951–55 average domestic disappearance for a number of kinds. These include crested wheatgrass, Merion Kentucky bluegrass, bentgrass, perennial ryegrass, Sudangrass, Ladino clover, and Chewings fescue.

Supplies range from one-third to three-fourths larger than the average for Kentucky bluegrass, smooth bromegrass, white clover, alsike clover, alfalfa, orchardgrass, common rye-grass, and lespedeza.

Other important spring-sown kinds are less abundant. Red fescue and red top are respectively about one-fourth and one-fifth above the average domestic disappearance. However, red clover, tall fescue, timothy, and sweet-clover are only a little above—in fact so close to average requirements that unless the seed is equitably distributed, some shortages may develop if the spring demand is unusually strong. In the case of these seeds, however, additional imports between now and planting time could bolster our domestic supply and greatly lessen the chance of shortages.

Alfalfa Sales

Alfalfa seed of specified State origins may not be readily available—particularly Kansas common and Oklahoma approved.

In such cases, your dealer can recommend a choice of other origins that will do well in your area. Again, if you are in doubt, consult your County Agricultural Extension Agent. His recommendations for alfalfa, as well as for other seeds, are good, because they are based on tests made over the years by your State experiment station.

Thomas J. Kuzelka
Agricultural Estimates Division, AMS

JUST ABOUT EVERYBODY

SAMPLES CITRUS

Citrus growers had an almost universal market in this country in 1956. They can be reasonably sure that practically every family in the United States tasted citrus fruits at least once that year.

So Agricultural Marketing Service says in a preliminary report on consumer preferences and attitudes towards citrus fruits, avocados, dates, and raisins. The complete report will be published in a few months.

The AMS researchers questioned some 2,500 homemakers, previously selected on a scientific basis as representative of all the households in the Nation. They found that 99 percent of these households had used at least one of 14 citrus fruits, juices, and ades in 1956.

Oranges Big Favorite

Practically all, 98 percent, said they had used some *fresh* citrus—oranges, grapefruit, lemons, or limes. Oranges were the big favorite in United States households—94 percent used them, but lemons and grapefruit were not far behind, with 89 percent and 81 percent, respectively.

Among the 68 percent who had used frozen concentrated juices, too, orange was in the lead, with 64 percent of all households.

Some 67 percent of the homemakers said they had used canned juices during 1956. Again, canned orange juice got the biggest vote, but only slightly ahead of grapefruit.

Frozen concentrated ades had been used by 44 percent. Here, the lemon product has the widest popularity—used by 40 percent of all households.

Now, how does this study help the grower? In a variety of ways. For one thing, the AMS research shows why the homemakers buy citrus fruits, avocados, dates, and raisins. In the

case of a crop that isn't very popular, it shows the grower why it isn't.

So far as fresh oranges and grapefruit are concerned, most of the homemakers preferred them both for health reasons and because of their taste. Flavor was the big reason for the use of fresh lemons and limes. Then, too, these last 2 products can be used in a great variety of ways, the homemakers indicated.

Convenience came most readily to mind when homemakers gave reasons for frequent use of the processed fruits.

When interviewers asked the homemakers which they thought the richest in vitamin content—home-squeezed, canned, or frozen orange juice—85 percent said home-squeezed; but about 7 in 10 of these said that the frozen product came close to the home-squeezed oranges in this respect.

Only 25 percent of the homemakers said they had used avocados in the year preceding the interview, and 13 percent said they had never heard of avocados. In the West, however, 60 percent had used the product.

Most people use avocados because they like the taste. A smaller number cite health reasons.

Of the 62 percent who had heard of but not used avocados, 43 percent indicated lack of familiarity with the fruit. Some 24 percent of the non-users indicated they didn't buy avocados because of taste or flavor, while 13 percent considered them too expensive.

Raisins

A great majority of households use raisins, and most of them frequently. Some 83 percent used raisins at least once during the year preceding the interview. Interviewers found little regional difference in the use of this product.

Homemakers gave many reasons for liking raisins, but the most important ones add up to "they're good for you" and "they taste good."

Of the 83 percent who used raisins during the past year, 64 percent gave health reasons, 56 percent mentioned taste or flavor, and 11 percent called raisins a good candy substitute.

The 17 percent of homemakers who did not use raisins gave mostly non-specific reasons such as "we just don't like them," or "my recipes don't call for raisins."

Dates are used by somewhat fewer homemakers (60 percent), and usually infrequently. About 2 in 5 said they had not used dates in the year preceding the interview. Southern home-

makers reported the smallest use of the product.

To 45 percent of the homemakers who said they used them, dates were a seasonal product, mainly for holiday and winter use.

When asked why they liked dates, 64 percent of the users spoke of taste or flavor. Lack of familiarity and dislike of dates generally were the major reasons given for not using this product.

On the matter of color, the largest group—44 percent of those who had used dates—said they had no preference; 36 percent said they preferred dark dates, and 20 percent light-colored ones. About 7 out of 10 users liked dates pitted.

Esther S. Hochstim
Marketing Research Division, AMS

SPOT DETECTOR

Fruit and vegetable growers: Did you ever have a yen to look inside your product to detect maturity or spot defects—and still not cut it open?

Think of the advantages pricewise of being able to prove the quality of your produce scientifically in advance of marketing.

Research engineers of the Agricultural Marketing Service have developed a research instrument that can do this job. They've dubbed it the "rephobiospect."

If commercial use of this new instrument becomes practical, as it may in the foreseeable future, it will be possible to measure quality as fast or faster than by human judgment—and do it far more accurately.

USDA scientists have already proved the commercial possibilities of the technique for detecting blood spots in eggs. Other tests show that it can be used to indicate the internal color of tomatoes, maturity and defects in peaches and plums, and internal faults in potatoes.

Internal color is a good index of the ripeness of tomatoes, although it is not an infallible guide in some other fruits—citrus for example. With to-

matoes, the technique works by determining the color of the juices.

How It Works

The rephobiospect transmits light through the fruit or vegetable. The phototube focused on the product gives out an electrical signal proportionate to the amount of light passing through the sample. This signal is automatically recorded on paper, giving the researcher a graphic idea of the color of the product.

By obtaining graphs of several samples, researchers can then relate light transmission to color or other quality factors. This internal color may be quite different from the external appearance.

Light has been successfully transmitted through watermelons in this way. Research is planned to determine whether internal color and defects can be measured accurately by this technique.

With apples, the rephobiospect seems to detect "brown core" and similar internal faults. As yet, tests aren't conclusive in deciding how ripe the apple may be.

Calvin Golombic
Marketing Research Division, AMS

POTATO PROSPECTS FOR 1958

At this time of year, many potato growers are looking at the current supplies and prospective production until midsummer. The winter and spring supplies usually affect the acreage which will be planted for the summer and fall production.

The largest potential supply for the next 5 months is the stock of fall potatoes on hand. On January 1, 1958, stocks of all potatoes held by growers and local dealers in the 26 fall States amounted to 88.7 million cwt., or 11.4 million cwt. less than storage holdings a year earlier. Stocks in the Central States were quite light on January 1. Moderate holdings were indicated in the Eastern States and large holdings in the Western States.

Winter Figures

The winter production for 1958 was placed at 5.7 million cwt. on January 1, or 1.1 million cwt. under the 1957 crop. The December freeze and the December and early January rains reduced prospects for the Florida winter acreage.

In California, about one-fourth of the winter crop was marketed prior to January 1. This is about the same proportion that was marketed to January 1 from the 1957 crop.

Growers of the early spring crop in Florida and Texas reported intentions to plant 28,000 acres this year. Assuming yields at the 1953-57 average, this acreage would produce 4.2 million cwt., or 0.2 million cwt. under the 1957 figure.

Growers of the late spring acreage, which is located in California, Arizona, and the Southeastern States (except Florida) reported intentions to plant 173,000 acres in 1958. This acreage, taking yields at the 1953-57 level, would produce 27 million cwt., or 3 million cwt. under the 1957 figure.

January 1 stocks show 88.7 million

cwt. of storage potatoes. The January 1 estimate of the winter crop is 5.7 million cwt. Assuming the reported intended acreage for spring will be planted and assuming average yields on this acreage, we get a prospective spring crop of 31.2 million cwt.

Total supply for the first half of 1958 would then be 125.6 million cwt. This would be 15.9 million cwt., or 11 percent less than the supply available for the first half of 1957.

The prospective supplies include potatoes used for food, feed, seed, processing, as well as shrinkage and waste. The bulk of the storage holdings on January 1, 1958, was located in States or areas having Federal marketing orders, which limit size and grades that can be shipped. The orders will naturally affect the supply of potatoes going to fresh uses.

Another factor is the diversion program. Growers can divert potatoes for livestock feed, starch, and flour and receive 40 cents for U. S. Grade No. 2 or better, 2 inch minimum, to March 31 and 30 cents to the end of the program.

California Marketings

The California spring crop of long white potatoes will be marketed under a State marketing order. In 1957, about 17 percent of spring production in California was diverted to livestock feed.

As the season progresses, additional information will be furnished by the Crop Reporting Board. Reports issued about the 10th of each month will provide production forecasts for winter and spring States. A report on March stocks in the fall States will be issued on March 14, and a report of prospective plantings of the summer and fall crops on March 18.

Oakley M. Frost
Agricultural Estimates Division, AMS

Sweetpotato Trend

Sweetpotato acreage has been trending downward for the past 25 years. The record high acreage of 1,059,000 in 1932 dropped to 728,000 by 1939, 472,100 in 1949, and 283,700 in 1956. One of the few reversals was in the wartime year, 1943, when 856,600 acres were harvested.

The downward trend in acreage is doubly significant because there has not been a pronounced offsetting increase in the per acre yields for sweetpotatoes as there has been in a number of other crops. The average per acre yield for sweetpotatoes in 1952-56, at 55.6 cwt., is only about 19 percent above the 46.8 cwt. during 1937-41.

What's the pattern of acreage changes since 1939?

First, drastic decreases in the non-commercial States, notably in Alabama, Arkansas, Georgia, and South Carolina. Second, moderate to large decreases in many of the commercial States, such as Maryland, Texas, and Virginia. However, in New Jersey and

California, acreages have increased, and in Louisiana the decline has been small.

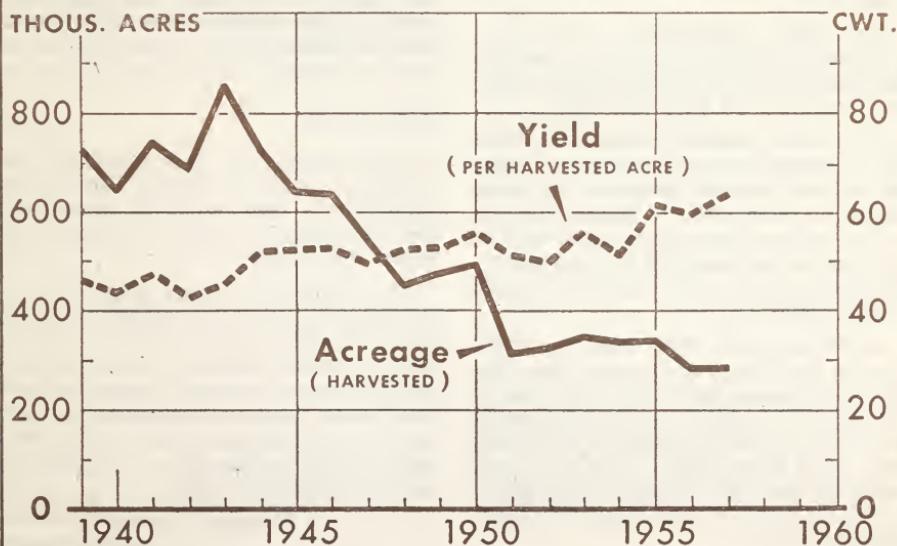
Most of the acreage is now located in the more commercialized areas. The relatively large decline in the number of farms growing sweetpotatoes in noncommercial areas has drastically changed utilization of the crop.

Quantities fed to livestock and quantities lost after harvest have shown a drastic reduction since 1939. Household consumption of sweetpotatoes on farms where grown is about one-third of the level during the early 1940's.

The trend toward reduced commercial acreages in many States probably has been accentuated by high labor requirements and storage expenses. Moreover, market demand for sweetpotatoes has not been consistently strong enough to encourage any expansion in the overall acreage.

Frasier T. Galloway
Agricultural Estimates Division, AMS

SWEETPOTATO ACREAGE AND YIELD



RAISIN GRAPES— DRY OR CRUSH?

Growers who dry raisin grapes have as many problems as the Little Old Woman Who Lived In A Shoe.

The similarity ends right there, however. Growers refuse to remain baffled. They are working out an energetic and resourceful self-help program within the framework of Federal and State statutes.

In recent years, domestic raisin shipments have been declining. Domestic per capita consumption is dwindling, while trade restrictions and dollar shortages have, until recently, hampered post World War II exports.

Production Up

On the other hand, improved production methods have increased production 33 percent over the 1930's, despite an acreage cutback of 14 percent. Mounting grape supplies and stable or declining marketings have produced a fairly chronic surplus situation. By contrast, however, 1957 has seen a short crop, good demand, and the highest raisin field prices since 1950.

Normally, growers dry 50 to 60 percent of the raisin grape crop, send 30 to 40 percent to the wineries for crushing, and ship 10 percent fresh.

In raisin producing areas, the bulk of the raisin grape growers can decide either to dry their grapes or to truck them to the winery. Thus, the size of the raisin crop in any year may be determined as much by the raisin versus winery price outlook, as by the size of the grape crop.

Market forces have behaved more like a pack of mischievous gremlins than like silent servants in the job of dividing the raisin grape crop according to the relative needs of the raisin and wine industries. Too often the industry has had to cope with seasonal surpluses or shortages relative to marketing needs.

In 1946, in response to favorable

vintner prices, the industry dried only 47 percent of a 1.6-million-ton raisin grape crop. Heavy purchasing by vintners proved overoptimistic; wineries were overstocked. In 1947, with a crop the same size as in 1946, 72 percent of the crop was dried. Consequently, 60 percent more raisins were produced.

Since both the California grape crush and the fresh shipment industry use a large percentage of multi-purpose grape varieties as well as raisin varieties, good or bad times in each segment are spread, like measles, by shifting among outlets in search of more profitable markets. Consequently, operations under a self-help program for the raisin industry are affected by developments in other segments of the California grape industry.

What has the industry been doing?

Through a Federal marketing order, all raisins in excess of probable commercial demand are placed in reserve and surplus pools. Surplus pool raisins must be disposed of to specific noncompetitive outlets, or sold abroad.

Reserve pool raisins can be released through commercial channels, if the original supply falls short. On July 1 of each marketing year, the remaining reserve tonnage automatically goes into the surplus pool. Pooling is not permitted when prices reach or exceed parity.

Other Helps

The industry is also providing inspection services, setting up minimum grade and condition standards, and providing an early estimate of raisin production.

The industry through a State marketing order is also conducting a program of advertising, sales promotion, and research. Recent research includes work on an edible moisture barrier coating to keep raisins soft in dry cereal, dry cake and cookie mixtures, and the mechanization of harvesting and grading operations.

Norman Townshend-Zellner
Loyd C. Martin
Marketing Research Division, AMS

FLORIDA CITRUS COUNT FORECASTS PRODUCTION

Did you know that fruit is counted on Florida citrus trees so that accurate production forecasts can be made by the Agricultural Estimates Division of Agricultural Marketing Service?

Or that when a major disaster occurs, such as the 1957 end-of-year freeze, the fruit is carefully examined again for damage and counts made of damaged fruit to estimate losses?

Better Methods Welcomed

The State Statistician, with the help of many State agencies and industry groups, is always on the lookout for new ways to improve production forecasts. One improvement that has already been used for several years is to make early-season fruit counts and size measurements on sample trees in sample groves.

Here, briefly, is how the job is done:

First, field crews provided by cooperating agencies, but working under the supervision of the State Statistician, count fruit on selected branches of sample trees on September 1 of each year, about a month before harvesting begins.

Second, some of those same trees are checked at monthly intervals between September 1 and the middle of the harvest to measure the size of the growing fruit and to estimate the size at harvest. This tells how much fruit will be required to fill a box—since production is expressed in terms of boxes.

Third, fruit dropping from selected trees is counted periodically during the growing season to estimate the number remaining for harvest.

Then the State Statistician computes the production forecast. Counts of fruit on the sample limbs of each tree give an estimate of the total amount of fruit on each sample tree,

and this gives an estimate of average number of fruit per tree for the State.

Allowance is made for trends in acreage by adjusting the sample of groves each year for new plantings coming into bearing and for removals, so that the per-tree average is representative of conditions at the time of the survey.

A disaster like the December 1957 freeze throws those calculations off. When that happened, the field crews had to make a special trip to the sample trees, cut open a representative sample of fruit so it could be examined for damage and count damaged fruit to estimate the percentage loss.

This is just one example of agencies concerned with the citrus industry working together to help the State Statistician forecast the crop. Another recent example is a "tree census" that has just been finished. This is the most detailed job of its kind ever carried out in Florida and took 3 years to complete.

The field work and tabulations were under the direction of the State Plant Board, but other agencies, including the State Statistician, took part. Along with other important uses, the census establishes a firmer "base" for production forecasts and makes it easier to select representative samples of groves for fruit counts.

This kind of census must be kept up to date, for new trees are being planted at a rapid rate and old and diseased trees are being removed every year.

It's important, too, that freeze damage be evaluated quickly so the industry will know the production potential for the next few years. Several suggestions for annual checks of groves and areas of possible new plantings are being considered.

Bruce W. Kelly
Agricultural Estimates Division, AMS

LOOKOUT LETTER FROM AN OUTLOOK WORKER

Dear Editor:

When I read Agricultural Situation, I relax and enjoy Bert Newell's valuable and delightful commentary on the Agricultural Estimates program. All of us who fight to lure readers to more prosaic subjects almost envy—do envy—Mr. Newell his engaging style.

But I stress the word "valuable." His letter is that. The term applies also to Outlook work in farm economics. Agricultural Estimates and Agricultural Economics are members of a family of important reporting services, all designed to help you, the grower.

Outlook Activities

Outlook is charged with bringing together all the economic information on an agricultural subject that there is to learn, sizing it up, appraising its meaning for present and future.

Mr. Newell's crop reports are vital to our service. Important, too, are the market news reports from commodity markets throughout the Nation, and census data.

We put this information into technical statistical analyses. They can show how much hog producers, for example, usually increase farrowings when the hog-corn price ratio is at a certain figure. They reveal how much the price of eggs normally declines, when supplies increase.

Then we bring it all up to date and apply it to the present. The results of these studies are the Situation reports, made on each major commodity class.

Extension economists in each State draw on these analyses, adapt the information to conditions in their own State, and add their own observations and analyses.

This is Outlook work, developed to meet the needs of farmers who, almost daily, have to make decisions that

require them to understand the economic picture for their own facet of agriculture at that moment and to be able to make an intelligent appraisal of the future.

The individual farmer is in no better position to analyze how much bearing expanding broiler production has on prospects for his beef cattle than he is to concoct his own antibiotic potion for his cattle. He must turn to Outlook work for his answer, and we want to help him get it.

We are getting an increasing amount of assistance from others—farm journals and the farm management services, for instance.

So it comes back to this: Be sure to keep on reading Mr. Newell's sprightly lines about the fine service the Crop Reporting Board is giving. But look, too, for an occasional Outlook piece by Karpoff, Kriesel, Daly, Simmons, Conover, Lowenstein, Kromer, Miller, Post, Clough, Hermie, Pubols.

And Breimyer.

Harold F. Breimyer

Agricultural Economics Division, AMS

FARMERS' PRICES

Agricultural Prices, a report on mid-month prices received by farmers for their products, index of prices paid by farmers (including interest, taxes, and wage rates) and the parity ratio is published in the last week of each month.

You crop and price reporters can obtain copies of your State price reports. Write to your State Agricultural Statistician if you want this report.

Although much information on farm prices and price trends and prospects is given in Agricultural Situation, latest monthly information on farmers' prices is not included because our readers usually can obtain later price data from their State Statisticians.

"Bert Newell's Letter

A few weeks back, the young assistant pastor of our church said: "Where there is no faith in the future, there is no power in the present." That thought has been running through my head ever since.

I had never thought it out in so many words, but it seems to me that actually faith in the future is the force behind most everything we do. If we lost that faith, what does it matter what we do now, in this hour, or today?

We might just as well do nothing, just let everything go, or be mean, cheat, or just plain ornery. What's the use of your planning and working yourselves into a lather for next season's crops. And—well—what's the use anyway?

Everyone knows that the "Aw, what's the use" attitude is about the worst thing that can happen to a person. At that point he's down and really out. That's the attitude of the "skid row" derelicts, and underlying it—the reason for it—is the loss of faith in the future.

Everyone has reverses, disappointments, or gets discouraged. Oh, I get down in the dumps something terrible every now and then, but something usually happens that jerks me up standing and I quit feeling sorry for myself.

Just recently I got a big recharge from a Christmas card. It was an autographed copy of a little book on famous old trees in Maryland. It wasn't the book so much, as the fact that it has just been written by a professor of forestry I have known for over 40 years—and he is 85.

I went out to see him, and say, what a guy! Active, interested, and just as sharp as he used to be when we used to take long walks in the woods and then sit around the camp fire and listen to him spin Paul Bunyan yarns.

Faith in the future—say, he is loaded with faith. He has a file of records all ready to bring his book up to date when some of the old trees he mentions die or are destroyed.

Now, when I get low I have him to think about, along with some others. One of them is my 86-year-old uncle. He's interested in everything and he's always planning new things to tackle and accomplish.

I also think about some of you reporters who have demonstrated so much ability and willingness to co-operate and who have written to me from time to time. You give us all a boost that really helps us over some rough spots. I enjoyed your Christmas notes and cards. Thanks a lot.

Now it is February and we are getting started on a new crop season. In all stresses and strains of the present, it's dangerous to stick your head in the sand and ignore things that are going on in the world. But basically I know we all have a strong faith in the future, faith in mankind, and faith in our country.

If we live up to the reminder of the faith that we find on every coin minted by this great country of ours, we may get down once in a while, but we'll never be out.



S. R. Newell

Chairman, Crop Reporting Board, AMS

March Intentions

Getting an idea what other farmers are planning this year may help you in making your own decisions. You can learn this from the prospective plantings report on 1958 acreages of major crops, which will be published March 18.

If you receive an acreage card in the mail asking for your 1958 acreage intentions, please fill it out and mail it back to your State Statistician. Other farmers who receive such cards will be doing the same—all helping to make this March 18 intentions report more useful to you.

MARKETING COSTS

STAY HIGH—WHY?

Why do farmers receive such a comparatively small part of the dollar consumers pay for many food products? Why do retail prices often stay up, when prices received by farmers decline?

Agricultural Marketing Service throws some light on these perennial questions in a new report "Farm-Retail Spreads for Food Products."

Marketing Agencies

To begin with, the difference—or spread—between the retail price of a product and the payment the farmer receives goes to a whole group of people who move the product from the farmer to the consumer. These include local assemblers, food processors, wholesalers, retailers.

The resources these marketing agencies use to do their share of the job (labor, processing plants, transportation equipment, for example) sometimes cost more than the resources farmers use to produce the crop in the first place.

This is particularly true of extensively processed items. But even an unprocessed product such as lettuce incurs major expenses like long transportation hauls and refrigeration. Consequently its marketing cost exceeds the farm production cost.

In 1957, farmers received an average of 40 percent of the retail price of food products—that is, 40 percent of the dollar the consumer spent for food. Marketing agencies received 60 percent.

However, these are only overall averages. The figures varied widely with the product group. In general, the farmer's share is higher for meat and animal products than for foods derived from crops.

For example, the farmer's share was 67 percent for eggs in 1957, but only 17 percent for bread. It costs farmers

more to produce a dozen eggs, than to raise the wheat for a pound-loaf of bread. On the other hand, marketing agencies have to go through an expensive two-stage manufacturing process, milling and baking, to convert the farmer's wheat into bread, but they have no such problem in selling eggs at the retail grocery.

Obviously this doesn't mean that the income—the net return—of the farmer who produces eggs is necessarily bigger than the net return of the farmer who produces wheat, merely because the egg producer's share of the consumer's dollar is larger. His costs of production may also be larger.

The farmer's share of the consumer's food dollar has declined since 1950, when he got 47 cents. In 1957, the farmer received 7 percent less for food products than in 1950, while the marketing charges (the farm-retail spread) increased by about 25 percent.

Marketing costs are largely independent of the supply and demand factors that influence the prices the farmer receives. For that reason, retail prices may stay as high as before, even when the farmer is receiving less.

Many of these marketing costs are relatively inflexible because fixed over a period of time by contracts. Wages, for example. Leases. Freight rates. Public utility rates.

Costs Rigid

Many of these marketing costs do not go up as fast as farm prices in times of inflation, but they come down only very slowly. In fact, there are probably more rigidities in marketing costs today than ever before. Depreciation charges, for example, are higher. In a few cases, a guaranteed annual wage has to be considered.

Labor costs make up about half of the farm-retail spread—and these costs were 19 percent higher per unit in 1957

than they were in 1950. Hourly wages were up about 40 percent, but because of increased productivity the increase in cost per unit of output was only half as great.

Transportation costs, which make up about one-eighth of the spread, were up about a fourth. Costs of fuel and electric power, containers and supplies, buildings, machinery, and equipment rose an average of 30 percent. Rents, taxes, and advertising were among other costs up substantially.

Corporate profits have accounted for 5 to 10 percent of the food marketing bill. Taxes have taken about half of these profits in most postwar years.

More Food Moved

Another reason why the total bill for marketing farm food products has increased is that marketing agencies are handling more food and performing more services than they did in 1940.

The volume of food products marketed from U. S. farms is up by 50 percent since 1940. The population has increased by only 30 percent since that

time. This means that the amount of food marketed per capita has increased.

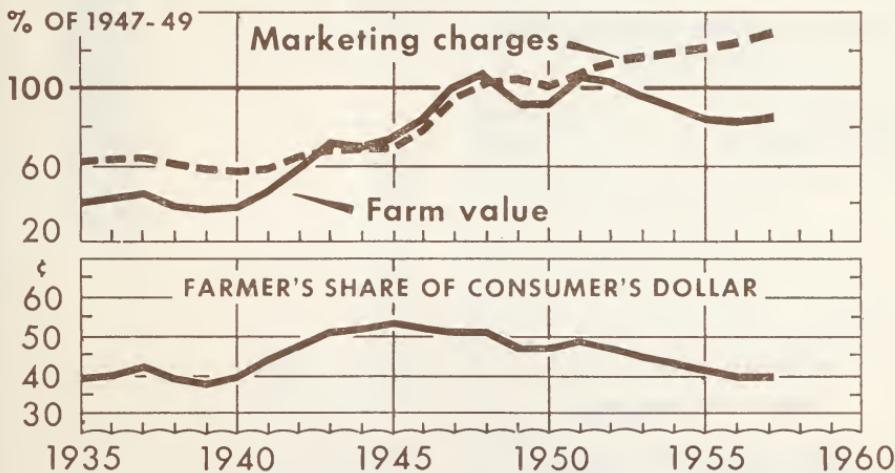
Since 1940 the nonfarm population has increased by almost 50 percent, while the number of people living on farms decreased by a third. Since some farm people generally produce a part of their own food, former farmers who are now nonfarm residents require a larger amount of food from marketing sources.

Finally, it's also true that a larger volume of food is being processed and ready prepared. More meals are eaten in restaurants. Both these results are due to employment and consumer incomes staying high and to more housewives being employed away from home.

However, all these trends do not lead in the same direction. It must be remembered that not all the extra processing adds to the cost. In some cases this cost may be offset by a reduction in waste and spoilage and the lower costs of shipping.

Kenneth E. Ogren
Forrest E. Scott
Marketing Research Division, AMS

MARKETING CHARGES AND FARM VALUES FOR MARKET BASKET



DATA ARE FOR MARKET BASKET OF FARM FOODS BASED ON AV. 1952 PURCHASES BY URBAN FAMILIES

UNITED STATES
DEPARTMENT OF AGRICULTURE
AGRICULTURAL MARKETING SERVICE
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OFFICIAL BUSINESS

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**Farmer's Share of Consumer's
Food Dollar**

November 1956-----	40 percent
October 1957-----	39 percent
November 1957-----	40 percent

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Articles In This Publication

Editor: James M. Buckley
Assistant: Marcelle Masters